COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of

THE COMPLAINT OF CHARLIE BROWN'S RESTAURANT AGAINST KENTUCKY UTILITIES COMPANY

CASE NO. 8747

ORDER

On October 20, 1982, the Commission received a letter from Philip Carlile, Charlie Brown's, (Appendix A) wherein he questions the amount of a security deposit requested by Kentucky Utilities Company (KU). The letter states that Charlie Brown's of Winchester, Kentucky, a restaurant, is indebted to KU in the amount of \$2179.99 and alleges that because of the indebtedness at the Winchester location KU threatened to cut off service to Charlie Brown's of Lexington, Kentucky, unless the restaurant increased its security deposit in the amount of \$1,123.

On November 4, 1982, the Commission received a letter from Kentucky Utilities Company (Appendix B) which states, among other things, that the financial difficulties of the Winchester restaurant merely alerted KU to possible financial difficulties at the Lexington restaurant and that an investigation into the payment history of Charlie Brown's Incorporated of Lexington indicated that during the immediate past nineteen months KU has submitted nineteen electric service statements to Charlie Brown's Incorporated and sixteen disconnect notices have been necessary to secure payment. The letter

further states that during the past twelve months, Charlie Brown's Incorporated of Lexington has incurred a total billing of \$9,695.35, that two-twelfths of this amount equals \$1,615.90 and that a deposit of \$1,600 has been requested in accordance with the provisions of KRS 278.280(2), Section 7. According to KU, Charlie Brown's Incorporated of Lexington has a \$300.00 security deposit which has drawn \$177.00 interest. These amounts (\$477.00) have been subtracted leaving a deposit of \$1,123.00.

Mr. Carlile has requested a hearing to consider this matter.

The Commission, having considered the correspondence, request and being advised, HEREBY ORDERS That this matter be and it hereby is set for hearing on January 31, 1983, at 1:30 p.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

IT IS FURTHER ORDERED That Kentucky Utilities Company shall appear at the hearing and present testimony relative to this matter.

Done at Frankfort, Kentucky, this 21st day of December, 1982.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:		
Secretary	 	

CHARLIE BROWN'S



Appendix A

Venable Road Winchester, Ky. 40391 phone 606/744-9366 816 Euclid Avenue Lexington, Ky. 40502 phone 606/269-5701

Kentucky Public Service Commission Frenchfort, Kentucky 10/20/82

Sentternan:

Dan enclosing letters from Kenticke tittles Empayment capies of liells that others incurred by Charle Browns of Windraster, Inc. a separate corporation. This property is nowin the hands of Central Brooks and Trust he Langton which is paying the current electric biells.

The thrust of this letter is that write it was determined that charles Browns of Windraster could not seem the 217999 owell toth Windraster branch of KU the them through the service to the he confun Corporation deather read to the bellowing scenario the he confun Corporation deather read to the Windraster branch of KU?" a consular man will have to increase your deposit in he confun.

B. "Walter you will have to increase your deposit in he confun.

This will comment to "1, 133."

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Best with a sould beginness in the Strains Kontucky Utilities from the strains and services on the 27 the say threatened until a full beginness.

can be tell dorth Commission determines that K. U's action

at best a legal form of blackmail.

Whili Carlie Présent

KENTUCKY UTILITIES COMPANY

Appendix B

ONE QUALITY STREET

LEXINGTON. KENTUCKY 40507

OFFICE OF VICE PRESIDENT

October 29, 1982

RECEIVED

Mr. Claude G. Rhorer, Jr., Director Division of Utility Engineering and Services 730 Schenkel Lane Frankfort, Kentucky 40602 110V 4 :-:

DIVISION OF UTILITY ENGINEERING & SERVICES

Dear Mr. Rhorer:

This is in response to your letter dated October 22, 1982 wherein Mr. Philip Carlile on behalf of Charlie Brown's Restaurant, 818 Euclid Avenue, Lexington, Kentucky submitted a complaint to your attention.

Mr. Carlile questioned the Company's actions with respect to requiring a larger customer deposit at his Lexington restaurant and his belief that the Company's actions were necessitated by the financial difficulties of Charlie Brown's of Winchester.

The financial difficulties of the Winchester restaurant merely alerted the Company to possible financial difficulties in Lexington. An investigation into the Charlie Brown's Incorporated of Lexington's payment history was performed and the following was discovered. During the immediate past nineteen months Kentucky Utilities has submitted nineteen electric service statements to Charlie Brown's Incorporated, where upon, sixteen disconnect notices have been necessary to secure payment.

KRS 278, 280(2) Section 7 states that "a utility may require from any customer or applicant for service a minimum cash deposit or other guarantee to secure payment of bills of an amount not to exceed two-twelfths of the estimated annual bill of such customer." Therefore, based on the credit history of the customer at this location, a deposit reflecting his monthly billing amounts was required.

During the past twelve months, Charlie Brown's Inc. of Lexington has incurred a total billing of \$9,695.35. Two-twelfths of this equals \$1,615.90. Thus a deposit of \$1,600.00 has been requested. At the present time Charlie Brown's Inc. of Lexington has a \$300.00 Security deposit that has drawn interest in the amount of \$177.00 for a total of \$477.00. Subtracting the \$477.00 presently on deposit with Kentucky Utilities, the deposit amount required is \$1,123.00. This was communicated by letter to Mr. Carlile of Charlie Brown's Inc. of Lexington on October 12, 1982. It was explained that installment payments would be accepted should a lump sum payment create a hardship. Mr. Carlile declined this offer.

The Company believes it has acted in a responsible and businesslike manner in working with Charlie Brown's Incorporated. The \$1,600.00 deposit requested by the Company is in compliance with Commission Rules and Regulations and accordingly is still required of Mr. Carlile.

We believe this provides you with the necessary information to respond to Mr. Carlile's inquiry. If we may be of further assistance, please let us know.

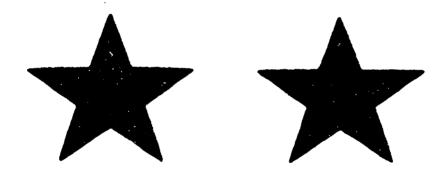
Sincerely,

Robert M. Hewett

Vice President
Rate Department

RMH: lrp

CORRECTION



PRECEDING IMAGE HAS BEEN REFILMED TO ASSURE LEGIBILITY OR TO CORRECT A POSSIBLE ERROR

CHARLIE BROWN'S



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A. "Can you pay anything to the Winehoster branch of KU?" A

"anached Mr. Walton "Ono"

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KENTUCKY UTILITIES COMPANY

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Robert M. Hewett

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Vice President Rate Department

RMH: 1rp